**Testimony**
**U.S. House of Representatives**
**Committee on Resources**
**"FDIC and Department of Interior Abuses of Power"**
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## Introduction

The growth of federal regulatory agencies and the open-ended power that many of them exercise are creating new dangers both to the economy and to due process. Specifically, interest groups have more opportunities to enlist regulators to act for their benefit and those regulators have more opportunities to act almost as freelance, private agents on behalf of their "clients," which is a serious misuse of their powers.

It is hardly new to find industries and interest groups enlisting elected officials or political appointees to pass laws or to draw up and implement regulations that favor them at the expense of their competitors. An example of such rent-seeking is found when American companies that fear foreign competition oppose trade liberalization, even though restrictions on imports harm American consumers. Another example was seen in 1999 when large investment banks and small commercial banks tried to enlist officials at the Office of the Comptroller of the Currency and at the Federal Reserve Board to back competing legislation favored by those respective groups.

And, of course, federal departments and agencies have institutional interests in assisting particular groups with their agendas. The right policies could mean that those departments and agencies are granted more authority and responsibility, added employees, higher salaries, and additional opportunities for career advancement. It is thus no surprise that those departments and agencies will receive political support from the client interests that they are assisting.

When traditional rent-seeking battles focus on proposed legislation, parties have many opportunities to voice their concerns. Each house of Congress must hold multiple committee hearings and votes, and a presidential signature is required for a bill to become law. In the case of regulations, regulatory agencies must post proposed rules, solicit public comments and hold public hearings. In both cases there is some form of due process.

It is also common for different administrations to interpret and enforce laws and regulations in different manners. For example, the Clinton administration made much more aggressive use antitrust laws[1] and the Community Reinvestment Act[2] than did the Reagan and Bush administrations.

But the growth in the scope and breadth of the regulatory authority exercised by federal departments and agencies is facilitating new forms of rent-seeking that are subject to even less due process than are the current regime, and that afford fewer protections for the probable victims of regulatory abuses. A principal cause of this new danger is the fact that the regulatory authority of various agencies as expanded to the point of overlapping with the authority of other agencies. This situation allows agencies in effect to gang up on industries or enterprises. Thus we see, for example, the bizarre spectacle of the Centers for Disease Control claiming that street crimes such as armed robberies, which normally fall under the jurisdiction of traditional police authorities, are "diseases" that fall under its jurisdiction as well. We also find the Occupational Safety and Health Administration declaring that the danger of being a victim of crime on the job makes crime a matter for its concern as well.

Such an expansion of agency powers also affords interest groups multiple avenues to influence enforcement at the expense of competitors or opponents. Further, multiple avenues allow rent-seeking to be done at lower levels of the bureaucracy, where influence might be easier than at higher, more politically visible levels.

A recent case of regulatory abuse perhaps presages a future of regulators moving well beyond their traditional boundaries in order to help interest group clients. The Federal Deposit Insurance Corporation is the government agency that insures the accounts of depositors in savings banks against bank failures. The FDIC requires banks to pay premiums to cover potential losses. If a bank goes under, each depositor is covered for losses up to $100,000 per account. The FDIC then will liquidate bank assets to recoup part of the money it paid out. It can also act against managers whose fraud or misconduct contributed to the bank's collapse.

The FDIC has an ongoing case against Charles Hurwitz, the CEO of a company, MAXXAM, that owned a minority share in the holding company of a Texas savings and loan that failed in the 1980s. The FDIC initiated the case at the behest of private, environmental groups. It alleges that the company's actions contributed to the S&L's failure and thus it is trying to collect environmental assets from MAXXAM in a debt-for-nature swap, supposedly to cover the FDIC's costs of paying off depositors. Further, FDIC has "contracted out" to the Office of Thrift Supervision, paying that bureau to act against the business as well. Finally, environmental activists are pressuring the FDIC to turn over any environmental assets it recovers to the Department of Interior to be used as a nature preserve.

Even if MAXXAM were in part responsible for the bank collapse, the way the federal government is pursuing the case is extremely disturbing. If the government wins this case, or if MAXXAM, which already has spent over $30 million on its defense, is forced to seek a settlement because the government has nearly unlimited resources to pursue the case, a new and dangerous kind of freelance regulatory abuse will be unleashed on the country.

**The United Savings Association of Texas Collapse**

The story of the FDIC's current case began in 1982 when MAXXAM, whose majority shareholder and CEO was Charles Hurwitz, purchased a 24.9 percent share of United Financial Group, the holding company for United Savings Association of Texas (USAT), a Houston-area S&L. During the mid-1980s, the Texas economy experienced a serious downturn, principally as a result of falling oil prices. In 1988 USAT closed down, $1.6 billion in debt.

Normally there is a statute of limitations on FDIC investigations of individual or institutional wrong-doing in cases of S&L failures. The statute can be extended only with the approval of the individual being investigated. The FDIC requested and Hurwitz as an individual granted 13 extensions, according to Hurwitz on the belief that he had done nothing wrong and would be exonerated by a thorough investigation. But when the investigation continued to drag on, Hurwitz decided to stop granting extensions. In August, 1995, seven years after the failure, the FDIC filed a suit against him, alleging mismanagement of USAT. (The FDIC never requested an extension from MAXXAM. Thus, because of the statute of limitations, the FDIC could not sue MAXXAM directly.)

On the surface, the FDIC case against Hurwitz seemed a stretch. Hurwitz, though chairman of the holding company, United Financial Group, was not an officer or board member of USAT. Banking regulations strictly separate many banking entities, requiring holding companies and firewalls between entities. Further, while he was the single largest shareholder in United Financial Group, Hurwitz still only owned less than 25 percent. A larger share would have made MAXXAM liable for the net worth of the S&L in case of failure, that is, its debts. Thus FDIC would have to show how Hurwitz, with a minority share in the S&L's holding company, still exercised enough control over the S&L to contribute to any negligence that caused its collapse.

FDIC maintained that Hurwitz used USAT to finance so-called junk bond transactions that involved conflicts of interest that made the lending transactions illegal. Specifically, FDIC claimed that USAT purchased for its portfolio $1.8 billion in risky junk bonds from the brokerage company Drexel Burnham Lambert. During that period, Drexel provided a similar amount of bonds to MAXXAM. Neither transaction was illegal in and of itself. But it would have been illegal if some kind of quid pro quo were involved. The FDIC claimed that MAXXAM and Hurwitz were helping to direct business to Drexel by having USAT purchase Drexel junk bonds. The FDIC also alleged that in return Drexel helped MAXXAM finance the junk bond purchase of various assets, including old growth forest. Interestingly, the portfolio of Drexel bonds, while not offering huge returns, performed better than any of USAT's other portfolios. That performance could not offset the losses on other portfolios but did indicate that there were economic reasons to hold those bonds. The FDIC's own internal legal analysis reported that "There is very little, if any, evidence of fraud or self-dealing."

In 1991, prior to the FDIC's suit, a report by Brill, Sinex & Stephenson an outside consulting firm hired by FDIC to review the case, said

> There did not appear to be any intentional fraud, gross negligence, or patterns of self-dealing. The most serious criticism of the directors, in general, was that they exercised poor business judgment and were negligent in the management of the institution.

The report further added that "we found no direct evidence of insider trading, stock manipulation or theft of corporate opportunity by the officers and directors of [United Savings]."

But the story did not end there. In 1986, before the collapse of USAT, MAXXAM, with assistance from Drexel, made a purchase that would prove to be the root of its future conflict with the FDIC. For $870 million it took over Pacific Lumber, a California company that owned, among other things, a 3,000 acre stand old growth trees known as the Headwaters Forest.

As late as 1995 the FDIC at least publicly still understood the difficulty of pursuing a case against Hurwitz. In a letter to Rep. George Brown (D.CA) then-FDIC chair Ricki Helfer wrote

> I understand and appreciate your interest in a debt-for-nature swap. There is no direct relationship, however, between Mr. Hurwitz's actions involving the insolvency of USAT and the acreage currently owned by Pacific Lumber Company within the Headwaters Forest ... MAXXAM, Inc., a publicly owned corporation in which Mr. Hurwitz holds a significant ownership interest, through its predecessor MCO Holdings, Inc., has a significant ownership interest in UFG, USAT's first-tier holding company. Pacific Lumber Company, which was acquired by MAXXAM, does not appear to have owned any interest in USAT or UFG. Moreover, neither USAT or UFG ever owned any interest in Pacific Lumber Company.

The FDIC also faced the problem that the statute of limitations did not allow it to sue MAXXAM itself, only Hurwitz. But the redwoods of interest to environmentalists were owned by MAXXAM.

**Behind the FDIC**

The seven year long investigation and the curious course FDIC took in acting against MAXXAM is better understood when one considers what has gone on behind the scenes that seems to have influenced the FDIC's action. The Headwaters Forest was one of the largest privately-owned stands of old growth trees. Not surprisingly, environmental groups were interested in this land. Hurwitz himself apparently hoped the federal government would purchase the land from him. When word got out that logging in that area would increase, those groups as well as federal agencies took note. Environmental activists wanted the federal government to purchase the forest.

Federal purchases of land to be set aside as natural preserves has been going on for much of this century, with such purchases accelerating in recent years. A purchase out of federal funds, of course, is required by the Fifth Amendment to the Constitution which states "nor shall private property be taken for public use without just compensation." That, of course, is a basic principle of any free society: governments cannot simply expropriate private property.

But in the case of Headwaters Forest, advocacy groups, Clinton administration officials and members of Congress were not willing to take the Constitutionally prescribed path.

**The War Against Hurwitz**

The merits of a case should determine whether the FDIC uses its governmental powers to attempt to seize the assets of any company. And in light of its own internal evaluation and outside reports, the FDIC did not seem to have a strong case against MAXXAM. Why, then, did it move to seize assets in this case? The inescapable conclusion is that outside interest groups launched a coordinated and extensive campaign that pressured the FDIC to move against MAXXAM.

For example, in August, 1993, two years before the FDIC acted against Hurwitz, members of the radical group Earth First! were talking openly about their desire to have the Headwaters Forest secured by the government not through the proposed purchase being considered by Congress but through government seizure. Spokeperson Alice Little Tree stated "The Headwaters bill came from a very radical proposal put together by people who made the Headwaters an issue. They have been worked on it for eight years ... They put together a proposal that calls for not only a debt-for-nature swap, but also an employee-stock-option plan for the businesses to restore the Headwaters."[3]

On June 20, 1994 Earth First! held a rally outside of the San Francisco offices of the FDIC, urging the FDIC to act to seize the Headwaters Forest.

In an October 14, 1994 note addressed to Bob DeHenzel of the FDIC, Jill Ratner of the activist group the Rose Foundation for Communities and the Environment enclosed recent and pending cases affecting the Headwaters Forest and informs DeHerzel that a Randy Ghent "is working on a map that will provide a sense of what specific areas are directly affected by the cases..."

In a long letter to Tom Hecht, whose firm Hopkins & Sutter was working for FDIC, Richard DeStefano, an attorney to the Rose Foundation, mainly discussed the merits of the case, but included a point on "The *Endangered Species Act* ("ESA") and the mission of FDIC." He maintained that "While the FDIC is primarily focused on recovering money's worth for its loss in USAT, we urge that all federal agencies are mandated to consider the impact of their decisions on endangered species. The Headwaters Forest is habitat for several endangered and threatened species..." As bizarre as this contention might sound, DeStefano cites the act, which states that

> all ... federal agencies shall, in consultation with the Secretary [of the Interior], utilize their authorities in furtherance of the purposes of this chapter by carrying out programs for the conservation of endangered ... or threatened species..."[4]

Thus, according to DeStefano, bank regulators are expected to be concerned about bugs and bears.

Since most customers received reimbursement from the FDIC of the funds they had deposited in the failed Texas S&L, there seems little reason for a grass-roots popular movement urging government to extract money from the partial owners of the S&L's holding company. But FDIC and other policymakers did receive demands that action be taken against MAXXAM, orchestrated by environmental activists. A website was set up named jailhurowitz.com, excoriating Hurwitz for his alleged misdeeds and directing those interested on how to influence FDIC officials. Those activists were able to an extensive campaign.

A January 13, 1995 letter to acting FDIC chairman Andrew Hove came from Skip Gibbs of Redwood Valley, California. He likely was not a disappointed USAT depositor. The content of his letter, with a copy sent to Rep. Henry Gonzalez (D-TX) showed his real interest. He stated "We here are fully in favor of a debt for nature swap re: United States Association of Texas failure and Headwaters Forest property. It is long past time to start collecting from the beneficiaries of the S & L 'crisis' ..." A one-line handwritten letter from Susan Voll dated January 24, 1995 to chairman Hove simply stated "I am writing to urge you to collect the debt due us by Charles Hurwitz." A January 24, 1995 letter to all of the FDIC board members was sent by Donald Mayall and Carolyn Curtis to "Urge that you pursue a debt-for-nature settlement in which the FDIC will receive the Headwaters Forest, currently under MAXXAM's control..." A one-page handwritten letter dated January 3, 1995 to Hove stated "It really is a shame that the Headwaters Forest in Humboldt City, California is subject to the rapacious debt of MAXXAM Corp." And a January 5, 1995 two-page handwritten letter from an individual named Isha Mazer, opened "The Bhumi-Devi Brigade is a spontaneously manifesting movement of citizens participating in activities motivated by compassion." It claimed that "its mission is to protect sentient being" and objected that MAXXAM will destroy "the last of my states great natural & indigenous ancient forest."

On May 10, 1995 an FDIC Legal Division, Correspondence Control Record memo noted the receipt of 91 letters concerning the Hurwitz/Headwaters case.

**Interest In Congress**

Members of Congress who were either pressured by environmentalist or shared their ideology also pressured the FDIC. For example, in a November 19, 1993 letter, then-House Banking Committee Chairman Henry Gonzalez wrote the FDIC's Hove about MAXXAM to express concern that "a formal action has not yet been filed" by the FDIC in the case. He wanted "to request a status report on the [FDIC's] proceedings against the

United Financial Group..." Gonzales added that "In light of the magnitude of the losses and the FDIC's well considered evaluation of liability, I am particularly concerned that a formal action has not yet been filed."[5]

In a May 27, 1994 five page letter to Hove, Rep. Ronald Dellums (D-CA) wrote "It has recently come to my attention that, in the opinion of a team of public interest lawyers, compelling arguments exist for the FDIC to pursue MAXXAMS's surrender of the entire Pacific Lumber group [which owned the Headwaters Forest] and all its properties, in connection with the ... [United Savings Association] matter."[6] Here the desire to secure environmental assets is stated right up front. Dellums also eluded to the government's explicit interest in that property when he stated that

> Without legal protection against excessive logging, the value of Pacific Lumber group's forest properties, including the 44,000 acre Headwaters Redwood Forest Complex (currently the subject of pending acquisition legilsation [HR 2866], which recently cleared the House Natural Resources Committee,) is particularly vulnerable...[7]

Senator Barbara Boxer (D-CA) also weighed in on the case in March 23, 1995 letter following up on April 27, 1994 and October 27, 1994 letters. She noted that she was informed on May 31, 1994 that action on the case would probably be taken that June, but that almost a year latter no action had been taken. She reminds the FDIC Chairman, Ricki Tigert, "that the statute of limitations ... expires on Tuesday, March 28, 1995."[8]

The Clinton administration's interest in this case is seen in a March 21, 1995 letter from then-White House chief of staff Leon Panetta to Brock Evans of the National Audobon Society in which Panettta affirmed the administration's commitment "to the preservation of the old growth forest such as the Headlands forest." He went on to observe that

> As you know, the acquisition of this property has been discussed for several years. Budgetary constraints have made it impractical to acquire such an expensive tract of land through outright government purchased. Your suggestion to consider acquisition through a debt-for-nature swap or other land exchange is worth pursuing.[9]

On September 11, 1995 Rep. Pete Stark (D-CA), Rep. George Brown (D-CA), Rep. Zoe Lofren (D.CA), Rep. Lucille Roybal-Allard (D.CA), and Rep. Tony Beilerson sent a letter to FDIC chair Helfer stating "We urge the FDIC to consider a debt-for-nature swap. In a debt-for-nature swap, the government would acquire all or part of the Headwaters Forest, and in return, would relieve all or part of Mr. Hurwitz' outstanding S&L debts."

In a September 14, 1995 letter to FDIC chair Helfer Rep. Ronald Dellums (D-CA) stated "We have been informed by a coalition of 18 national and local environmental

organizations that you and other members of the ... FDIC .. have initiated legal action against ... Hurwitz. ... This news is most welcome."

The pattern was clear. The FDIC was under considerable pressure from environmental groups and some members of Congress to take action against Hurwitz, allegedly for alleged wrongdoing in the USAT failure, but in reality to secure privately-owned environmental assets without the need to pay for them.

**The Role of the Department of Interior**

An apparent serious abuse a federal power is found in the proposal of environmental activists that the FDIC transfer forest lands recovered from MAXXAM to another government agency, in this case the Department of Interior.

In an April 19, 1995 memorandum, Julia Levin of the Natural Heritage Institute informed Jill Ratner of the Rose Foundation that "Our research has uncovered six Federal statutory programs that allow property under the control of one Federal agency to be transferred to another Federal agency or into non-Federal hands." Levin was well aware the kind of actions she was proposing when she wrote:

> Given the discretionary nature of all of the programs, political considerations rather than legal and regulatory fineries will be of paramount concern. With the right amount of political will, however, we believe that Headwaters can be placed in the hands of an appropriate management entity without public expenditure or independent legislation.

In other words, the goal of environmental activists and their political allies was to use raw political power to extort the land from MAXXAM.

On May 16, 1995 Allen McReynolds, special assistant to the director of the Bureau of Land Management, DOI, met with Julia Levin. (McReynolds was a former special assistant to Interior Secretary Bruce Babbitt.) In a May 22, 1995 letter to Tom Hecht at the FDIC, the Rose Foundation's Jill Ratner reported that

> When I spoke with McReynolds several weeks ago he seemed quite interested in the possibility of a debt for nature swap, mentioning that he was familiar with "Mr. Hurwitz' difficulties" in Texas. ... Mr. McReynolds specializes in pulling together land swaps and other acquisitions involving large corporations which have proposerty that the Department of Interior wishes to acquire.

On May 30, 1995 McReynolds met with representatives of California Forestlands, Inc., which supported a swap, and on July 12, 1995 with staff members of Rep. Peter Stark, also a swap supporter. And on July 21, 1995 McReynolds met with FDIC as well as environmental group representatives on a possible Headwaters exchange.

On August 2. 1995 McReynolds sent a memo to DOI assistant secretary for Fish and Wildlife and Parks concerning Headwaters, with a number of attachments concerning the case and FDIC action. He discussed the FDIC and OTS cases and "the 40,000 acres of old growth redwood timber that the Department is seeking to protect. Thus, there has been some support for a debt-for-nature swap..."

On September 7, 1995 McReynolds again met with environmental activists and FDIC officials.

McReynolds admitted in a May 13, 1998 deposition that he had been sent a copy of the original lawsuit, shortly after it was filed, by someone at the FDIC.

The evidence thus suggests that DOI was aware of the FDIC case, was opened to the idea of having environmental assets recovered by the FDIC transferred to it and perhaps aided in this effort.

**Mixing Agency Functions**

The FDIC is charged with taking the assets owned by failed S&Ls whose customers' accounts it has paid off and selling those assets to cover as much of those costs as possible. It can also act to confiscate assets of individuals or companies that participated in some form of criminal mismanagement of the bank that contributed to its collapse. But those assets are strictly meant to cover the costs of paying off depositors. They are not the property of the FDIC to give to private concerns or to transfer to other government agencies. In an August 31, 1994 letter sent the FDIC's Hove, Rep. Pat Robert (R-KN) and Rep. Tom Lewis seemed to touch on this point when they asked "is it not ... true that the FDIC has never donated property it has acquired either directly or in a swap (in this case of the Headwaters Forest, it would be donated to the Forest Service)?"

Chairman Hove maintained in a September 15, 1994 letter to Rep. Lewis that "there is no direct relationship between USAT and the Headwaters Forest." But he added that "Nonetheless, although we have had no discussions with MAXXAM about a debt for land swap, and although such a swap almost certainly would raise numerous difficult questions, if MAXXAM could be held liable for USAT's losses, and if such a swap became an option, we would consider it as one alternative and would conscientiously strive to resolve any pertinent issues."

The claim by Rose Foundation environmentalists that federal statutes allow for transfers of assets from one federal agency to another raises the serious concerns that government is growing more and more out of control in its use of power and is able to violate the rights of citizens with greater impunity. Each government agency, for better of for worse, is established to perform some defined function or deliver some particular service to the citizens. They are meant to work for the general good, in accordance with the law and their defined missions. They are not free agents that are allowed to act for their own interests, to redefine their missions as they see fit, perhaps in conjunction with other agencies, or to sell or trade their assets without the approval of Congress. In the

MAXXAM case, the FDIC and Interior Department seem to be using the power given them for limited purposes as if that power were theirs to do which as they wished. This sets a clear precedent for future abuses.

**A Two-Front Attack**

FDIC officials apparently realized that their chances of winning the MAXXAM case on its merits were not good. For example, MAXXAM and Hurwitz owned only a 24.9 percent share of USAT's holding company. It would take a 25 percent share to make MAXXAM or Hurwitz liable for the bank's debts. But MAXXAM did have an option to purchase 300,000 shares of the company, an option it did not take. Yet the FDIC maintained that because that option would have put its ownership share over 25 percent, MAXXAM should treated as if it owned 25 percent of the holding company.

The FDIC realized that it faced a number of obstacles. For example, it faced a statute of limitations problem. It could not sue MAXXAM, only Hurwitz. And the Headwaters was owned by MAXXAM.

Thus the FDIC made an extraordinary move. It decided to pay another government agency, the Office of Thrift Supervision (OTS), to prosecute MAXXAM as well. OTS is an agency in the Treasury Department charged with enforcing policies against S&Ls that are still in operation, usually requiring them to abandon unsound practices. Aside from the MAXXAM case, FDIC has only twice sought such assistance from OTS. This is a practice of questionable legality.

In order to prosecute the case, the FDIC had to go into a federal court and, in effect, show that it had a case worth trying. But Judge Lynn Hughes of the U.S. District Court, Southern District of Texas, was not convinced. On October 10, 1997 Judge Hughes took the FDIC to task for its duplicity in the way it represented the coordinated attack with OTS:

> The FDIC has represented to the court that the Office of Thrift Supervision is proceeding entirely separately from this case. The FDIC never disclosed that it had actually hired the OTS to front for it in attacking Hurwitz administratively.
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> In November of 1996, the FDIC was telling this court that the proceedings were entirely separate, even to the point of trying not to admit that the director of the OTS sits on the FDIC's board. In August, the FDIC's chairman had reported to a Congressman: "We are coordinating the investigation and our claims against Mr. Hurwitz with the [OTS].

The judge wanted to combine the FDIC and OTS cases. But once OTS filed its independent administrative proceeding, it became legally difficult for the judge to do so, even though the FDIC filed suit first. In an October 23, 1997 opinion, referring to FDIC's and OTS's efforts, he wrote that "Hired governments and systematic falsehood are tools

of *cosa nostra* not *res publica*." In that opinion, when he decided not to combine the two cases, he wrote

> This bureaucratic shell game is aggravated by each sub-unit's active misrepresentations about the role each has played and the direct, total unity of financial interests. The government lawyers insisted that, although the investigations were perhaps parallel, the two sub-units were acting completely independently from each other. That turns out to be untrue.
>
> The FDIC has hired the OTS. The OTS declined to use its resources to pursue these claims, so the FDIC bought it by agreeing to pay its costs. Instead of exercising regulatory judgment about America's interests, OTS is hammering citizens at the direction of the FDIC.
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> The FDIC case in Texas is now on hold, pending the outcome of the OTS case.

**Conclusion**

Ironically, the Headwaters property at the center of the MAXXAM case was purchased by the federal government. But like many political efforts that retain their momentum even when their purpose changes, the FDIC and OTS continued to act against Hurwitz and MAXXAM, demanding the surrender of other environmental assets.

The case continues to set a terrible precedent that will allow federal agencies to gang up on private individuals and institutions, to use their powers in a free-lance manner to reward political friends. This case illustrates the need for Congress to vigorously reassert its oversight functions, to reign in rogue agencies.

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[1] Janusz A. Ordover, "Bingaman's Antitrust Era," *Regulation*, Vol. 20, No. 2, 1997.

[2] Vern McKinley, "The Community Reinvestment Act: Ensuing Credit Adequacy or Enforcing Credit Allocation?" *Regulation*, Vol 17, No. 4, 1994; and George J. Benston, "The Community Reinvestment Act: Looking for Discrimination that Isn't There," Cato Institute *Policy Analysis* #354, October 6, 1999.

[3] "Earth First! Wants 98,000: 4,500 Arces Tops PL Says," *The Humboldt Beacon*, August 26, 1993.

[4] 16 U.S. Code § 1536 (a) (1).

[5] Letter from Congressman Henry B. Gonzalez to Andrew C. Hove, Jr., Acting Chariman, FDIC, November 19, 1993, p. 1.

[6] Letter from Congressman Ronald V. Dellums to Andrew C. Hove, Jr.,, Acting Chariman, FDIC, May 27, 1994, p. 1.

[7] Ibid, p. 2.

[8] Letter from Senator Barbara Boxer to Ricki Tigert, FDIC chair, March 23, 1995.

[9] Letter from Leon Panetta, White House chief of staff, to Brock Evans, National Audobon Society, March 21, 1995.